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IN THE MATTER OF THE APPLICATION
OF GOODMAN WATER COMPANY,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN
ITS RATES AND CHARGES FOR
UTILITY SERVICE BASED THEREON

No. W-02500A-06-0281

NOTICE OF FILING OF
APPLICANT'S AMENDED
EXHIBITS

On May 26, 2006, the Applicant in this matter was mailed a Notice of Deficiency, listing additional and/or revised information requested by Commission Staff. On June 10, 2006, via electronic mail, the Applicant's rate consultant, Mr. Thomas Bourassa, filed the attached correspondence with Mr. Charles Myhlhousen of the Utilities Division in response to the staff inquiries. This filing is made with Docket Control solely for purposes of providing Docket Control with a copy of the Applicant's response.

RESPECTFULLY SUBMITTED this 20th day of June, 2006.

LEWIS AND ROCA

Michael F. McNulty

Lewis and Roca, LLP

One South Church Avenue, Suite 700

Tucson, Arizona 85701-1611

Attorneys for Goodman Water Company

1 ORIGINAL AND sixteen (16) copies
2 of the foregoing delivered VIA DHL
3 this 20th day of June, 2006

4 Arizona Corporation Commission
5 Utilities Division – Docket Control
6 1200 West Washington Street
7 Phoenix, Arizona 85007

8 COPY of the foregoing delivered VIA
9 U.S. MAIL this 20th day of June, 2006

10 Goodman Water Company
11 6340 North Campbell Avenue, Suite 278
12 Tucson, AZ 85718

13 By:


14 Hope I. Bracken
15 Secretary to Michael F. McNulty
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Thomas J. Bourassa
CERTIFIED PUBLIC ACCOUNTANT
139 W. Wood Drive
Phoenix, Arizona 85029

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June 10, 2006

2006 JUN 12 A 10:33

AZ CORP COMMISSION
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Charles Myhlhousen
Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007-2927

Re: Goodman Water Company
Application for rate increase - Docket No. W-02500A-06-0281

Dear Charles,

Attached you will find supplemental information to the Company's above reference application in response to your deficiency letter dated May 26, 2006. The following reflects the Company's response to the list of deficiencies:

Item 1 - Attached are revenue annualization schedules.

Item 2 - The Company does not believe the Commission Rules require prior year financial information with the same year ending dates as the test year. Nevertheless, attached you will find supplemental E-2 and E-1 schedules.

Item 3 - The revised H-3 schedules were filed on May 31, 2006 and you should already be in receipt of these schedules.

If you have any questions, or require further assistance, please contact me at 602-246-7150.

Sincerely,



Thomas J. Bourassa

Cc: Michael McNulty, Esq. Lewis and Roca, LLP.
James Dorf, Chief, Financial and Regulatory Analysis Section, Utilities Division

Goodman Water Company
Test Year Ended September 30, 2005
Comparative Balance Sheets

Supplemental
Exhibit
Schedule E-1
Page 1
W-02500A-06-0281

Line No.		Test Year Ended 9/30/2005	Year Ended 9/30/2004	Year Ended 9/30/2003
1	<u>ASSETS</u>			
2	Plant In Service	\$ 2,337,731	\$ 1,651,783	\$ 1,635,567
3				
4	Non-Utility Plant	-	-	-
5	Construction Work in Progress	-	-	-
6	Less: Accumulated Depreciation	(201,274)	(115,006)	(16,414)
7	Net Plant	<u>\$ 2,136,458</u>	<u>\$ 1,536,777</u>	<u>\$ 1,619,153</u>
8				
9	Debt Reserve Fund	\$ -	\$ -	\$ -
10				
11		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
12				
13	CURRENT ASSETS			
14	Cash and Equivalents	\$ 8,679	\$ 95,755	\$ 72,664
15	Restricted Cash	-	-	-
16	Accounts Receivable, Net	16,292	1,833	1,494
17	Unbilled Revenues	-	-	-
18	Materials and Supplies	-	-	-
19	Prepayments	-	-	-
20	Other Current Assets	105,933	80,982	48,065
21	Total Current Assets	<u>\$ 130,904</u>	<u>\$ 178,569</u>	<u>\$ 122,223</u>
22				
23	Deferred Debits	\$ -	\$ -	\$ -
24				
25	Other Investments & Special Funds	\$ -	\$ -	\$ -
26				
27	TOTAL ASSETS	<u><u>\$ 2,267,362</u></u>	<u><u>\$ 1,715,347</u></u>	<u><u>\$ 1,741,376</u></u>
28				
29				
30	<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
31				
32	Common Equity	\$ 1,268,596	\$ 1,035,650	\$ 1,093,481
33				
34	Long-Term Debt	\$ -	\$ -	\$ -
35				
36	CURRENT LIABILITIES			
37	Accounts Payable	\$ 9,157	\$ 1,009	\$ 1,404
38	Current Portion of Long-Term Debt	-	-	-
39	Payables to Associated Companies	-	-	-
40	Customer Meter Deposits, Current	-	-	-
41	Accrued Taxes	3,049	753	1,295
42	Accrued Interest	-	-	-
43	Other Current Liabilities	-	-	-
44	Total Current Liabilities	<u>\$ 12,207</u>	<u>\$ 1,761</u>	<u>\$ 2,699</u>
45	DEFERRED CREDITS			
46	Customer Meter Deposits, less current	\$ 14,864	\$ 12,307	\$ 8,334
47	Advances in Aid of Construction	971,695	665,629	636,862
48	Accumulated Deferred Income Taxes	-	-	-
49	Contributions In Aid of Construction, Net	-	-	-
50	Asset Retirement Obligations	-	-	-
51	Total Deferred Credits	<u>\$ 986,559</u>	<u>\$ 677,935</u>	<u>\$ 645,196</u>
52				
53	Total Liabilities & Common Equity	<u><u>\$ 2,267,362</u></u>	<u><u>\$ 1,715,347</u></u>	<u><u>\$ 1,741,376</u></u>
54				
55	<u>SUPPORTING SCHEDULES:</u>			
56				
57				

Goodman Water Company
Test Year Ended September 30, 2005
Comparative Income Statements

Supplemental
Exhibit
Schedule E-2
Page 1
W-02500A-06-0281

Line No.		Test Year Ended 9/30/2005	Prior Year Ended 9/30/2004	Prior Year Ended 9/30/2003
1	Revenues			
2	Metered Water Revenues	\$ 162,662	\$ 175,710	\$ 55,388
3	Unmetered Water Revenues	-	-	-
4	Other Water Revenues	17,940	15,552	9,342
5	Total Revenues	\$ 180,602	\$ 191,262	\$ 64,730
6	Operating Expenses			
7	Salaries and Wages	\$ 64,001	\$ -	\$ -
8	Purchased Water	-	-	-
9	Purchased Power	9,442	4,960	890
10	Chemicals	-	-	-
11	Repairs and Maintenance	9,868	10,888	2,365
12	Office Supplies and Expense	778	718	(257)
13	Outside Services	104,451	53,964	15,194
14	Water Testing	3,639	1,573	650
15	Rents	-	-	-
16	Transportation Expenses	-	-	-
17	Insurance - General Liability	18,253	12,123	11,549
18	Insurance - Health and Life	-	-	-
19	Regulatory Commission Expense - Rate Case	55	-	-
20	Miscellaneous Expense	2,386	1,900	42
21	Depreciation Expense	86,268	59,283	16,414
22	Taxes Other Than Income	5,324	14	-
23	Property Taxes	2,070	655	(307)
24	Income Tax	-	-	-
25				
26	Total Operating Expenses	\$ 306,535	\$ 146,078	\$ 46,540
27	Operating Income	\$ (125,933)	\$ 45,184	\$ 18,189
28	Other Income (Expense)			
29	Interest Income	1,747	836	459
30	Other income	-	-	-
31	Interest Expense	(90)	(76)	-
32	Other Expense	-	(45)	-
33				
34	Total Other Income (Expense)	\$ 1,657	\$ 715	\$ 459
35	Net Profit (Loss)	\$ (124,276)	\$ 45,899	\$ 18,648
36				
37				

Goodman Water Company
Revenue Annualization to Year End Customers: 5/8 Inch Meter
Test Year Ended September 30, 2005

Exhibit
Schedule
Page 5a
Witness: Bourassa
W-02500A-06-0281

Line No.		Month of Oct.	Month of Nov.	Month of Dec.	Month of Jan.	Month of Feb.	Month of March	Month of April
1	Year End Number of Customers	413	413	413	413	413	413	413
2	Actual Customers	328	300	341	340	352	362	367
3	Increase in Number of Customers/Bills	85	113	72	73	61	51	46
4	Average Revenue / Present Rates	\$ 27.27	\$ 26.24	\$ 27.40	\$ 25.50	\$ 24.13	\$ 26.89	\$ 27.93
5	Revenue Annualization / Present Rates	\$ 2,318	\$ 2,966	\$ 1,973	\$ 1,861	\$ 1,472	\$ 1,371	\$ 1,285
6								
7	Increase in Number of Customers	85	113	72	73	61	51	46
8	Average Revenue / Proposed Rates	\$ 72.92	\$ 69.79	\$ 73.32	\$ 67.52	\$ 63.72	\$ 71.76	\$ 74.93
9	Revenue Annualization / Proposed Rates	\$ 6,198	\$ 7,886	\$ 5,279	\$ 4,929	\$ 3,887	\$ 3,660	\$ 3,447
10	Additional Gallons to be Produced	27,880	33,900	24,552	24,820	21,472	18,462	16,882
11								
12								
13								
14								
15	Year End Number of Customers	413	413	413	413	413	413	413
16	Actual Customers	399	367	399	406	399		
17	Increase in Number of Customers/Bills	14	7	14	1	-		537
18	Average Revenue / Present Rates	\$ 29.41	\$ 31.13	\$ 31.42	\$ 29.54	\$ 29.54		
19	Revenue Annualization / Present Rates	\$ 412	\$ 218	\$ 440	\$ 30	\$ -		\$ 14,345
20								
21	Increase in Number of Customers	14	7	14	1	-		
22	Average Revenue / Proposed Rates	\$ 79.43	\$ 84.68	\$ 85.57	\$ 79.84	\$ 79.84		
23	Revenue Annualization / Proposed Rates	\$ 412	\$ 218	\$ 440	\$ 30	\$ -		\$ 38,288
24	Additional Gallons to be Produced	5,586	2,842	5,586	412	-		182,394

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